

March 30, 2010

Mr. Bud Prast
People in Need of Environmental Safety

Exemption 6

Subject: People In Need Of Environmental Safety
Pines Groundwater Plume Site
Second TAP Agreement Expected Budget

Dear Bud:

Pursuant to the recent statement by Mr. Dan Sullivan of NIPSCO that additional funding of the TAP Agreement is now available, Geo-Hydro, Inc. has prepared two budget scenarios for the next \$50,000 TAP authorization. Two budget scenarios were prepared, each representing a different scope of work, based upon the ultimate level of funding PINES may reasonably receive. There is ambiguity as to what that ultimate level will be.

PINES has heard from Region 5 of the USEPA via Tim Drexler in writing or verbally that the agency would like PINES to continue to participate in the review process in a manner analogous to, if not necessarily as detailed as, it has previously with the RI Report, with the recognition that the final level of such participation can't fully be predicted. Last June 2, Mr. Drexler, in an email to Larry Silvestri, asked PINES, "Pursuant to the terms of the Technical Assistance Plan, please resume sending the bills or invoices P.I.N.E.S. receives for costs incurred by technical advisors to help interpret Pines Site Remedial Investigation/Feasibility Study documents through the issuance of the Record of Decision." In consequence to that directive, PINES again authorized our reviewing the RI Report and providing comments. There was no dollar amount associated with the TAP addendum. By September 25, a supplemental authorization for the TAP was set at \$50,000. As you may recall, at the October 22 meeting we attended with EPA, Mr. Drexler was specifically asked if the \$50,000 was to be taken as a limit or a step along the way. I recalled, as PINES did in its minutes of the meeting, that his response was that you couldn't predict how a Superfund project will finally play out, and we'd have to be flexible. You may also recall Mr. Drexler suggested that PINES earmark \$30,000 of this \$50,000 solely for review of the Risk Assessments, with much of the

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remainder focused on communications efforts with the public. No mention was made at this meeting of other tasks in the process such as the feasibility study or the record of decision. At this point, all parties were still wrestling with revisions to the RI Report and the Model, efforts that are presumably to be reimbursed from the supplemental authorization, too.

In contrast, Dan Sullivan has repeatedly represented to PINES that this second \$50,000 TAP authorization must carry PINES through completion of the Record of Decision for the Pines Groundwater Plume Site. For example, in his email of December 21, 2009 to Paul Kysel, Mr. Sullivan reiterated his expectations regarding the efforts that were anticipated be completed with this TAP authorization, "...and provide a budget for each task, such that the remaining budget will address the risk assessment, feasibility study, through the record of decision stage of the project."

The following two budgets each presume the supplemental authorization will be devoted only to work yet to be performed. That leaves unaddressed the work GHI did subsequent to the initial authorization of \$50,000 and before the TAP amendment was signed and the work GHI did subsequent to Region 5's direction to PINES to restart its review and comment upon RI documents until today. These two budgets are significantly different in direction, scope and work product. The budget that is consistent with the NIPSCO perception reduces significantly PINES' position to that of reporter for the remaining Super Fund tasks. The budget that reflects PINES' continuing as a partner, influencing the Superfund process, as well as serving as a reporter, requires the budget that is consistent with USEPA's charge to PINES last June and discussed last October.

GHI recommends that PINES provide this information to EPA, and ask EPA to work with PINES to come to agreement with the PRPs about which budget scenario should be followed. The involvement by PINES as a reviewer and commenter through the site investigation process to this point has clearly had a significant and positive contribution to this point. There is every reason, if given the opportunity (budget), PINES would provide a comparable contribution to the risk assessments, feasibility study, and record of decision. However, these budget analyses demonstrate that PINES continued, full participation is not possible under the limits imposed by the PRPs, and EPA must decide whether it wants continued, full participation by PINES or wants PINES participation to be significantly reduced. Direct negotiation between PINES and the PRPs over scope of work and budget expectations would be likely an exercise in futility, and PINES' level of participation is appropriately EPA's responsibility and call.

Scenario 1 – Budget through Record Of Decision

The first budget scenario developed assumes that this supplemental \$50,000 TAP authorization must cover activities of the PINES group and GHI support from the Risk Assessment (RA), through the

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Feasibility Study (FS) and Record of Decision (ROD). Funding for PINES to organize and hold public meetings, and produce materials to update the public will require on the order of \$5,000 of the authorization. A total of \$45,000 could therefore be expected to be available for technical support in the form of review of final documents, comment preparation and assisting PINES with its public presentation of documents and their import. The remaining \$45,000 would have to support review and translation of all documents through the ROD.

In order to make the \$45,000 extend through the process, PINES level of participation in the process will necessarily be reduced from current levels. GHI would not be able to review, nor provide comments to EPA on draft documents under this budget scenario. Our review would necessarily have to be restricted to final EPA-approved documents to make the budget extend through the remaining Superfund process. GHI would be able to review final EPA-approved documents and identify technical details, and the implications thereof, to PINES for dissemination to the public, presumably through public meetings and/or the media. PINES would necessarily be eliminated as a participating partner in the Alternative Superfund process and function as an after-the-fact reviewer and critic.

Under Scenario 1 the primary work elements to be completed with funding from the second TAP authorization are expected to be:

- Task 1: Review and Comment on the Final Human Health Risk Assessment to PINES
- Task 2: Review and Comment on the Final Feasibility Study to PINES
- Task 3: Review and Comment on the Final Record of Decision to PINES
- Task 4: Communicate Review Results and Comments to PINES and the Public

Task 1: Review and Comment on the Final Human Health Risk Assessment

The Final Human Health Risk Assessment will be reviewed by PINES Technical Advisors, Geo-Hydro, Inc. (GHI). The initial activity in this task will be to have the Project Toxicologist do a cursory review of previous project documentation including the Site Management Strategy document; the Remedial Investigation, and the Risk Assessment Workplan. The Project Toxicologist will then be briefed on project activities to date including the Remedial Investigation, its history and limitations; the aborted groundwater modeling effort and its implications; and other relevant project history. We estimate that 32 hours or \$4,000 of effort will be required for this subtask.

The Final Human Health Risk Assessment will then be reviewed with respect to standard practices and assumptions. Comments provided to PINES will cover the approach, results, and conclusions of the final document and its implications for the public. Some calculations will be spot-checked for accuracy. It is noted that the appendices of the Draft Risk Assessment include many substantive evaluations, discussions, data sets, and calculations that will require detailed review. Independent of

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the Risk Assessment Work Plan (which is now included as Appendix G), the Final Risk Assessment (including table, figures and appendices) will probably be in the vicinity of 1100 pages in length. Assuming a normal review and commenting rate of about 6 pages per hour on a new document, we expect that document review and commenting will require approximately 183 hours or approximately \$22,875.

The total estimated cost to orient the Project Toxicologist on the project, review the document, interpret the document for PINES, and prepare comments for use by PINES is estimated to be \$26,875.

Task 2: Review and Comment on the Final Feasibility Study to PINES

The Final Human Health Risk Assessment will be reviewed by GHI with respect to the range of remedial options included, and their long-term effectiveness, implementability and cost assumptions. GHI will discuss and explain the range of remedial options with PINES to help its members to understand the potential benefits, trade-offs, and implications of the various options. PINES will then be in a position to inform the public through public meetings and/or the media about the remedial options, collect public input on acceptance of the various options, and provide feedback to the agency.

Assuming that the Final Feasibility Study (including table, figures and appendices) will be in the vicinity of 500 pages in length and a normal review and commenting rate of about 6 pages per hour on a new document, we expect that document review and commenting will require approximately 83 hours or approximately \$10,375.

Task 3: Review and Comment on the Final Record of Decision to PINES

The Final Record of Decision will be reviewed by GHI for explanation to PINES. GHI will summarize the EPA's selected remedy and highlight for PINES the benefits and/or unaddressed issues of the decision. PINES will then be in a position to inform the general public about the merits and issues related to the decision. We estimate that review and summarization of the Record of Decision will take approximately 4 days or \$4,000.

Task 4: Communicate Review Results and Comments to PINES and the Public

Approximately \$3750 of the project budget of \$45,000 is reserved to be available to support GHI participation in conference calls and meetings with PINES and the Public.

NOTE. This budget is entirely forward-looking. It provides no funds be dispersed toward the unpaid review and comment work performed between the exhaustion of the initial \$50,000 TAP funds and the TAP amendment and it provides no funds be dispersed toward payment of the work

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performed subsequent to the June 2, 2009 directive to PINES to again begin review and comment on site investigation documents.

Scenario 2 – Budget through draft(s) and final Risk Assessments

The second budget scenario developed assumes that the next \$50,000 TAP authorization must cover activities of the PINES group and GHI support through, at a minimum, review of the draft, revised draft and final Risk Assessment documents. Funding for PINES to organize and hold public meetings, and produce materials to update the public will require on the order of \$5,000 of the authorization. A total of \$45,000 could therefore be expected to be available for technical support in the form of document review and comment preparation. The remaining \$45,000 would have to support review and translation of the draft, revised draft and final Risk Assessment.

Under this scenario GHI would be able to review draft, revised and final documents and provide meaningful input to EPA during development of the documents. PINES would effectively continue its heretofore role as a full, participating partner in the Alternative Superfund process.

During the March 16, 2010 public meeting at PINES, Mr. Tim Drexler indicated that EPA would enforce a limit of two draft versions on the Human Health Risk Assessment (HHRA). GHI has structured this scenario assuming that EPA will, in fact, enforce this limitation.

The primary work elements to be completed with funding from the second TAP authorization are expected to be:

Task 1: Review and Comment on the Draft Human Health Risk Assessment

Task 2: Review and Comment on the Revised Draft Human Health Risk Assessment

Task 3: Review the Final Draft Human Health Risk Assessment

Task 4: Communicate Review Results and Comments to EPA and the Public

Expected activities and associated costs for each of the above tasks are described below.

Task 1: Review and Comment on the Draft Human Health Risk Assessment

PINES Technical Advisors, GHI, will review the Draft Human Health Risk Assessment. The initial activity in this task will be to brief the Project Toxicologist on project activities to date including the Site Management Strategy document; the Remedial Investigation Report, its history and limitations; the aborted groundwater modeling effort and its implications, the Risk Assessment Work plan, and other relevant project history. We estimate that 32 hours or \$4,000 of effort will be required for this subtask.

The draft Human Health Risk Assessment will then be reviewed with respect to standard practice and assumptions. Comments will be provided regarding approach, results and conclusions. Some

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calculations will be spot-checked for accuracy. The appendices of the Draft Risk Assessment include many substantive evaluations, discussions, data sets, and calculations that will require detailed review. Independent of the Risk Assessment Workplan (which is now included as Appendix G), the draft Risk Assessment (including table, figures and appendices) is 1083 pages. Assuming a normal review and commenting rate of about 6 pages per hour on a draft document, we expect that this task will require 180 hours or approximately \$22,562.

The total estimated cost to orient the Project Toxicologist on the project, review the document, and prepare comments for submission by PINES to USEPA is estimated to be \$26,562. This level of review and comment is based upon the size of this deliverable, the massive data sets upon which it relies and does not rely, previous experience with deliverables for this particular site investigation, and the critical importance of any RA as the engine driving public protection. Further this RA must be made without benefit of an adequate understanding of groundwater flow, necessitating uncommon levels of conservatism. The handicaps already burdening this site investigation require extraordinary effort to identify all assumptions and data treatments and convey their importance to the EPA and other reviewers.

Task 2: Review and Comment on the Revised Draft Human Health Risk Assessment

The Revised Draft Human Health Risk Assessment will be reviewed by GHI. The document will be reviewed with respect to changes requested by all reviewers, unrequested changes made by the PRPs, and standard practice and assumptions. Some calculations will be spot-checked for changes and continued accuracy. Comments will be provided regarding approach, results and conclusions, as necessary. Assuming a review and commenting rate of 18 pages per hour on a revised draft document, we expect that this task will require 60 hours or approximately \$7,500. Substantial alteration of the document between the draft and revised draft versions could cause PINES to incur unexpected additional costs to review and comment and trigger a need for additional TAP funding.

Task 3: Review and Comment on the Final Human Health Risk Assessment

The Final Risk Assessment would be reviewed to identify which outstanding issues were or were not addressed in the final documents. The results of this review would be communicated to PINES to be communicated to the Public. We estimate that this task will take approximately 3 days or \$3,000 to complete. Substantial alteration of the document between the revised draft and final versions, particularly any outside the scope of the comments, could cause PINES to incur unexpected additional costs to review and comment and trigger a need for additional TAP funding.

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Task 4: Communicate Review Results and Comments to EPA and the Public

The remaining funds, approximately \$7,938, could be used by PINES to support conference calls or in-person participation in meetings with PINES and/or the public, support GHI review of the Feasibility Study or other documents, as contingency in case of extensive changes to draft documents, or a combination of all of these tasks.

NOTE. This budget is entirely forward-looking. It provides no funds be dispersed toward the unpaid review and comment work performed between the exhaustion of the initial \$50,000 TAP funds and the TAP amendment and it provides no funds be dispersed toward payment of the work performed subsequent to the June 2, 2009 directive to PINES to again begin review and comment on site investigation documents.

GHI is prepared, on behalf of PINES, to initiate work on Task 1 as soon as PINES receives approval of the next TAP authorization.

Sincerely,



Charles H. Norris, PG
Geo-Hydro, Inc.



Mark A. Hutson, PG
Geo-Hydro, Inc

Cc; Mr. Paul Kysel